



***Fiscal 2002 AgExports Projected
at \$54.5 Billion
Imports Unchanged at \$39 Billion***

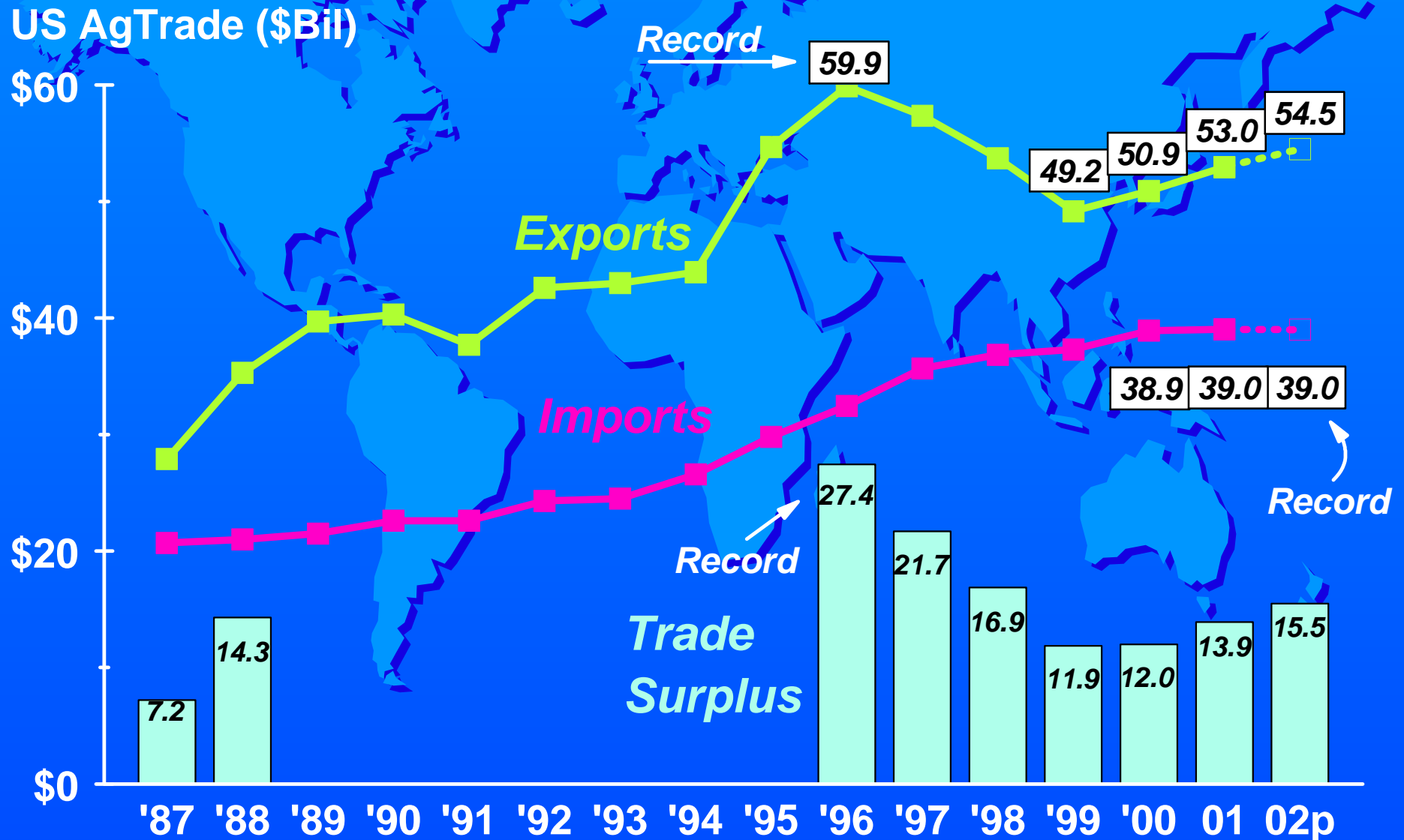
***Quarterly Export Forecasts for
Agricultural, Fishery & Forest Products***

***USDA's "Outlook for US Agricultural Trade"
was released on November 30, 2001***

CMP/FAS/USDA

U.S. Agricultural Trade

Fiscal 2002 AgExports projected to reach \$54.5 billion & the surplus is expected to total \$15.5 billion; export recovery expected to continue despite weaker global economic conditions.



Summary of Major Changes in the Export Outlook

Changes in FY 2002 Forecast Since August

Wheat -- vol falls 500,000 mt to 27.9 mmt

increased export competition from Black Sea region and Australia

Corn -- vol rises 500,000 mt to 52 mmt; domestic stocks rise; prices weaker
larger US crop, reduced S. American competition, more sales to Canada

Soybeans -- vol falls 200,000 mt to 26.9 mmt (still a record); prices lower
record US crop, but exportable S. American supplies rise as well

Beef -- vol falls 85,000 mt to 755,000 mt
weaker demand in Japan

Hort. Prods -- vol falls \$300 mil to \$11.3 bil; tree nut prices lower
weaker economic conditions in key markets; larger tree nut crop

AgExports to Asia +\$1 bil to \$21.2 bil; to Mexico/Canada +\$800 mil to \$16.2 bil

Note: Substantial revisions in 2002 grains and oilseed forecasts are still possible.

Export Outlook for Grain & Feed

Revised Forecast for 2002:  \$500 Million to \$15.5 Billion

Revised FY 2002 Projection

Key Upside Developments

- Canada's corn imports up 1.7 MMT to 3.0 MMT

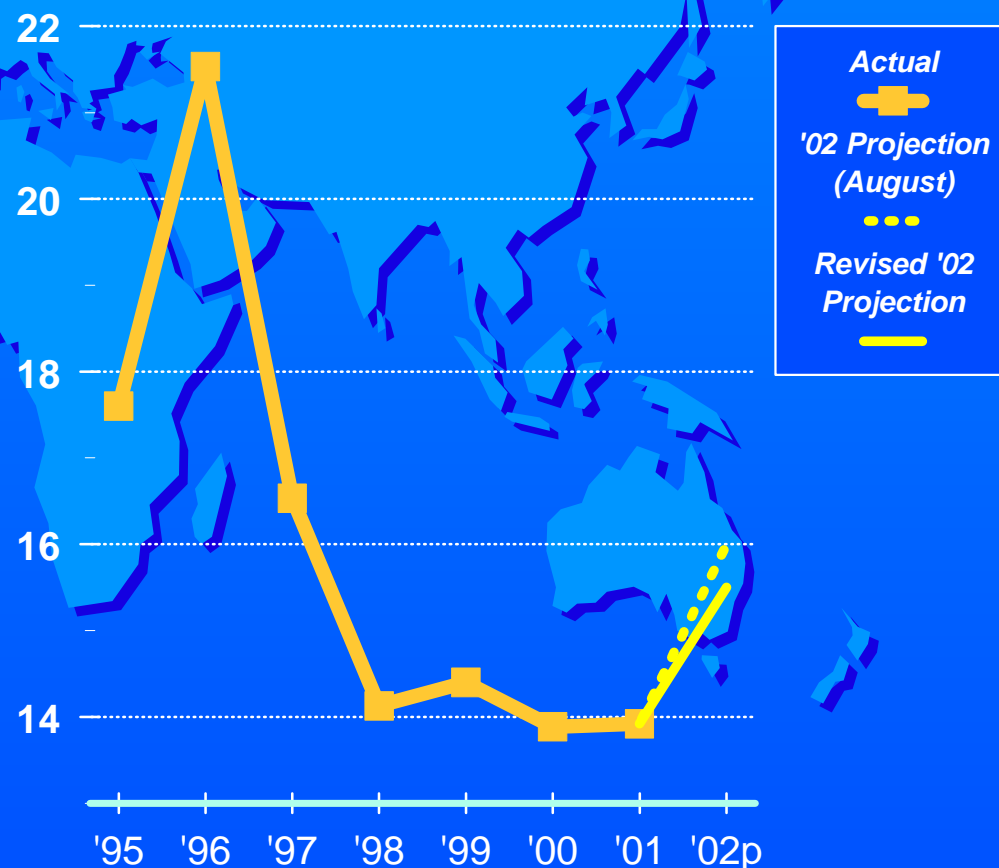
Key Downside Developments

- Stronger than expected competition from Black Sea region and Australia
- Larger US corn crop & larger stocks pressure prices lower
- China's corn exports estimated at 4.0 MMT
- Rising US rice stocks pressure prices lower

Wild Cards

- US crop size
- China's corn exports
- Argentine wheat quality

U.S. Grain & Feed Exports (\$Bil)



Note: Includes corn gluten feed/meal

Export Outlook for Oilseeds & Products

Revised Forecast for 2002:  \$900 Million to \$8.8 Billion

Revised FY 2002 Projection

Key Upside Developments

- Rising foreign oilseed demand exceeds supply growth - permits record US soybean export vol
- US soyoil exports benefit from low foreign oil supply growth

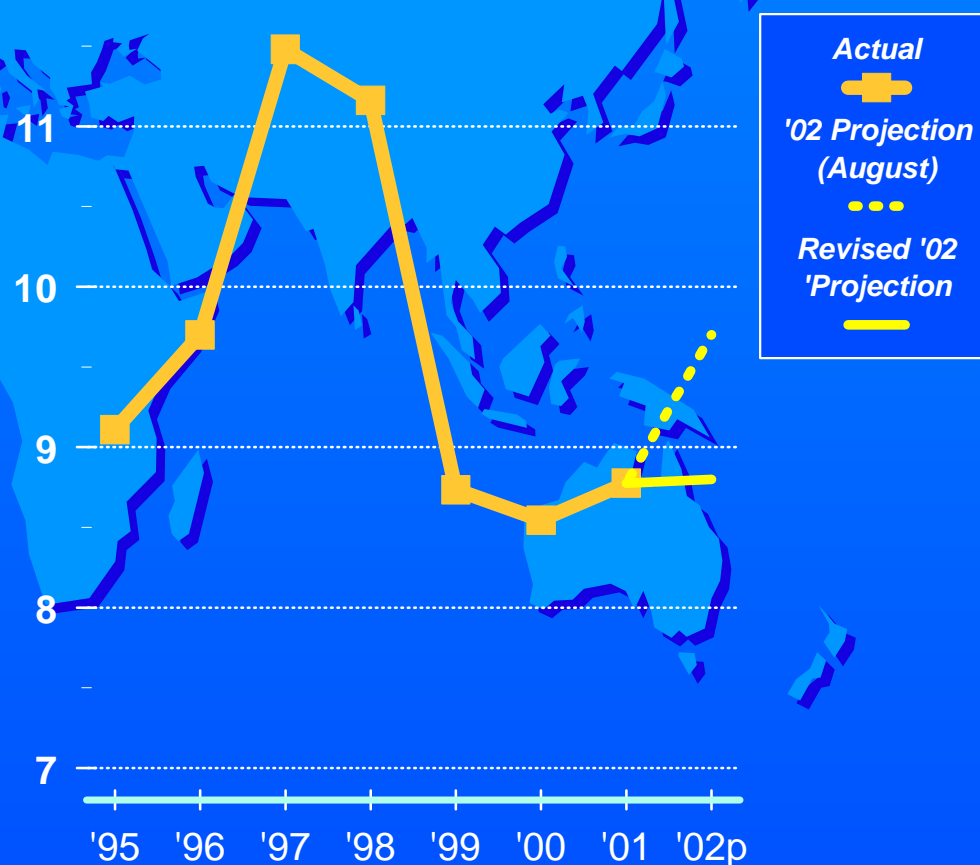
Key Downside Developments

- Larger S. American production constrains US export potential
- Lower corn prices and larger global oilseed stocks curb US bean & meal export unit values

Wild Cards

- Global income growth
- S. American oilseed expansion
- Output/usage in China & India

US. Oilseed & Prod Exports (\$Bil)



Note: Excludes corn gluten feed/meal

Export Outlook for Cotton & Linters

Revised Forecast for 2002:  \$200 Million to \$2.1 Billion

Revised FY 2002 Projection

Key Upside Developments

- Record production & weaker US demand increase exportable surplus
- Low price expectations support increased US export volume

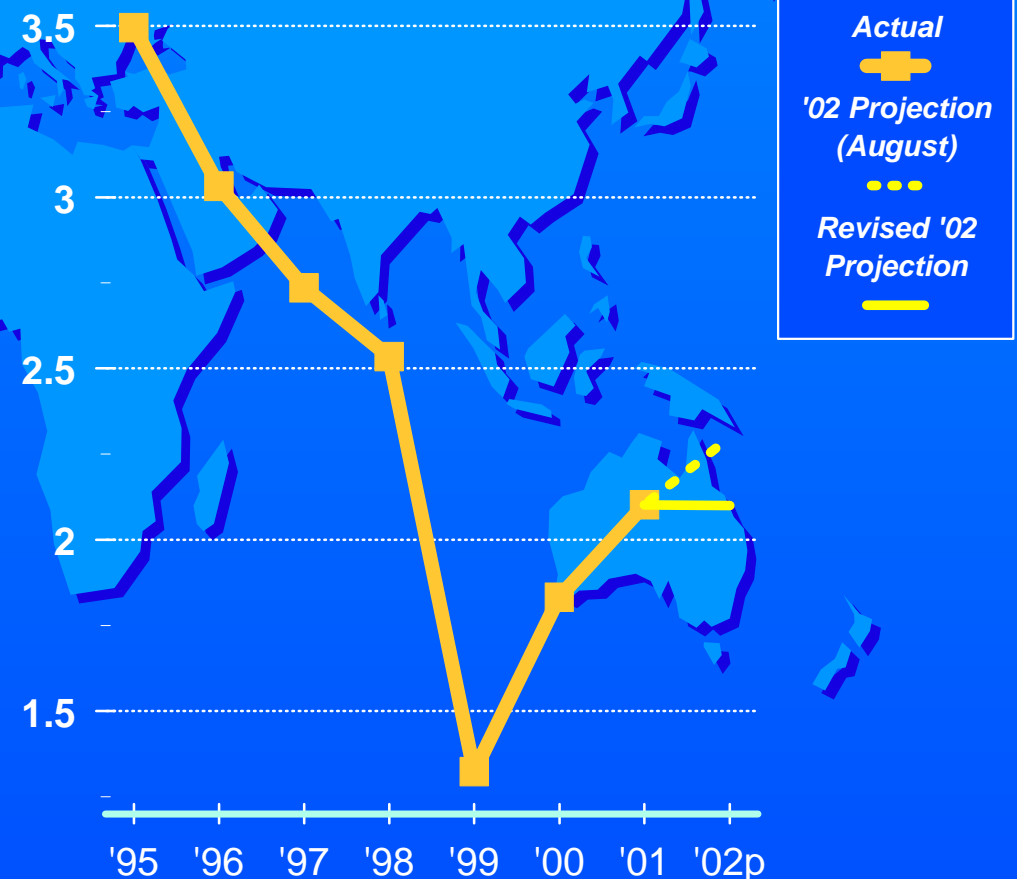
Key Downside Developments

- Lower prices more than offset export vol increase leading to drop in total export value
- Estimate on China's production increased


Wild Cards

- Weaker world economy's effect on world demand for apparel
- Foreign production response to current low prices

U.S. Cotton Exports (\$Bil)



Export Outlook for DL&P Products

Revised Forecast for 2002:  \$400 Million to \$12.4 Billion

Revised FY 2002 Projection

Key Upside Developments

- Poultry sales remain strong
- Hides exports benefit from strong Chinese demand & current US cattle cycle

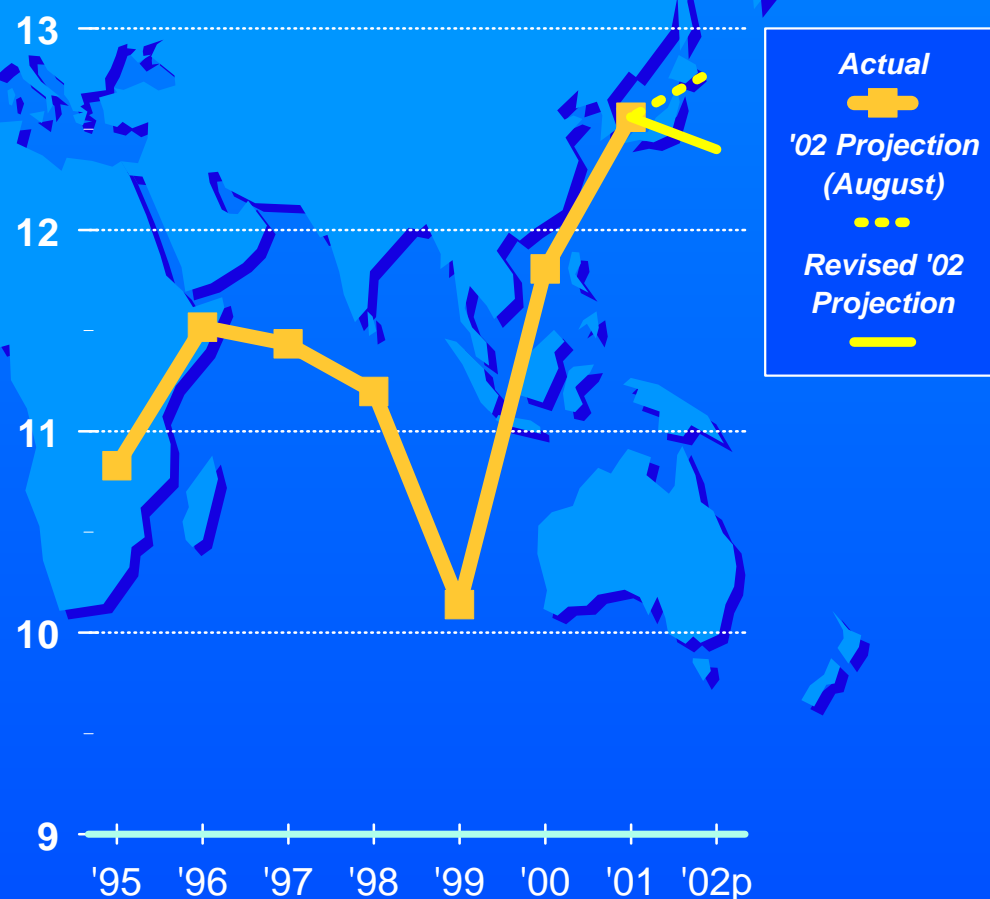
Key Downside Developments

- Japan's demand for beef declines further & US market share slips
- Global economic slowdown

Wild Cards

- Heightened concerns over FMD, BSE, & other animal diseases
- Japan's next actions on pork safeguard measures
- Certification issue threatens US chicken paw exports to China

Dairy, Livstk, Poultry Exports (\$Bil)



Export Outlook for Horticultural Products

Revised Forecast for 2002:  \$300 Million to \$11.3 Billion

Revised FY 2002 Projection

Key Upside Developments

- Tree nuts, fruit and vegetables continue to show modest growth supported by abundant tree nut and citrus crops

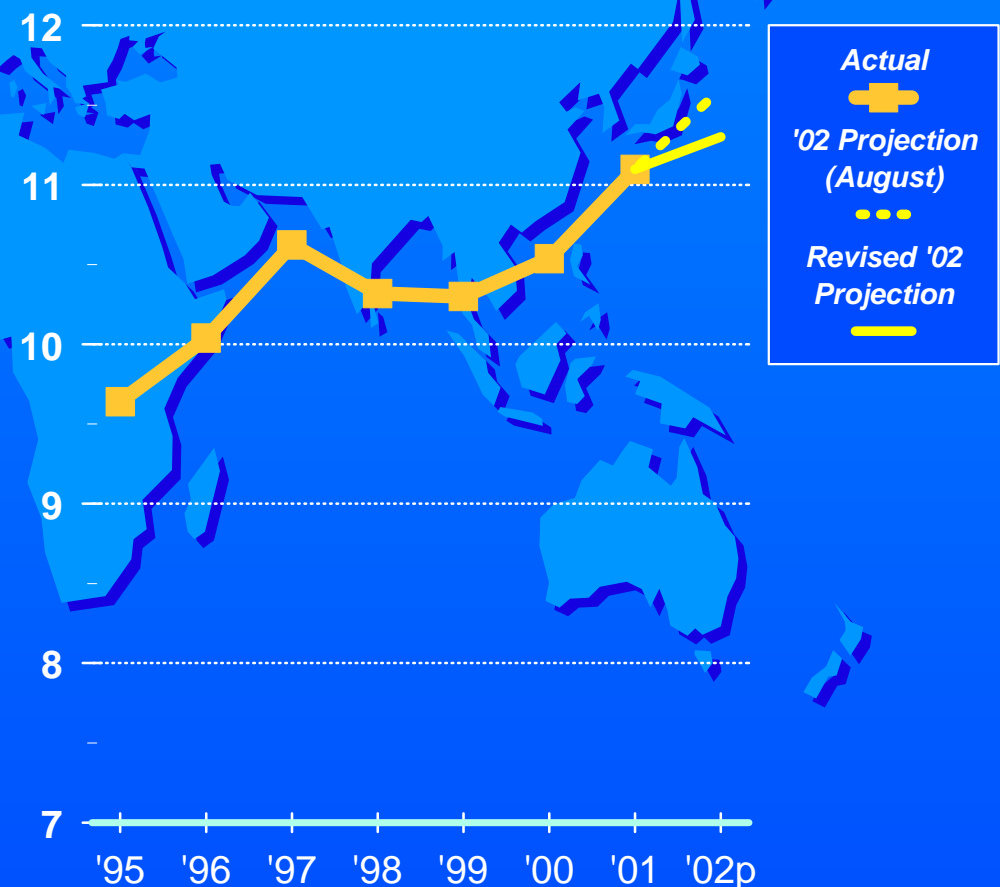
Key Downside Developments

- Overall economic outlook has deteriorated, limiting demand for all products
- Larger US almond and walnut crops pressure prices lower

Wild Cards

- Size of domestic crops
- Extent of recession in key horticultural markets

U.S. Hort. Product Exports (\$Bil)



Export Outlook for Fishery Products

Revised Forecast for 2002:  \$100 Million to \$3.1 Billion

Revised FY 2002 Projection

Key Upside Developments

- Strong demand in major markets
- EU demand for fishery products continues to rise due to BSE/FMD outbreak concerns
- Fishery products may benefit from Japan's reduced beef demand due to BSE concerns

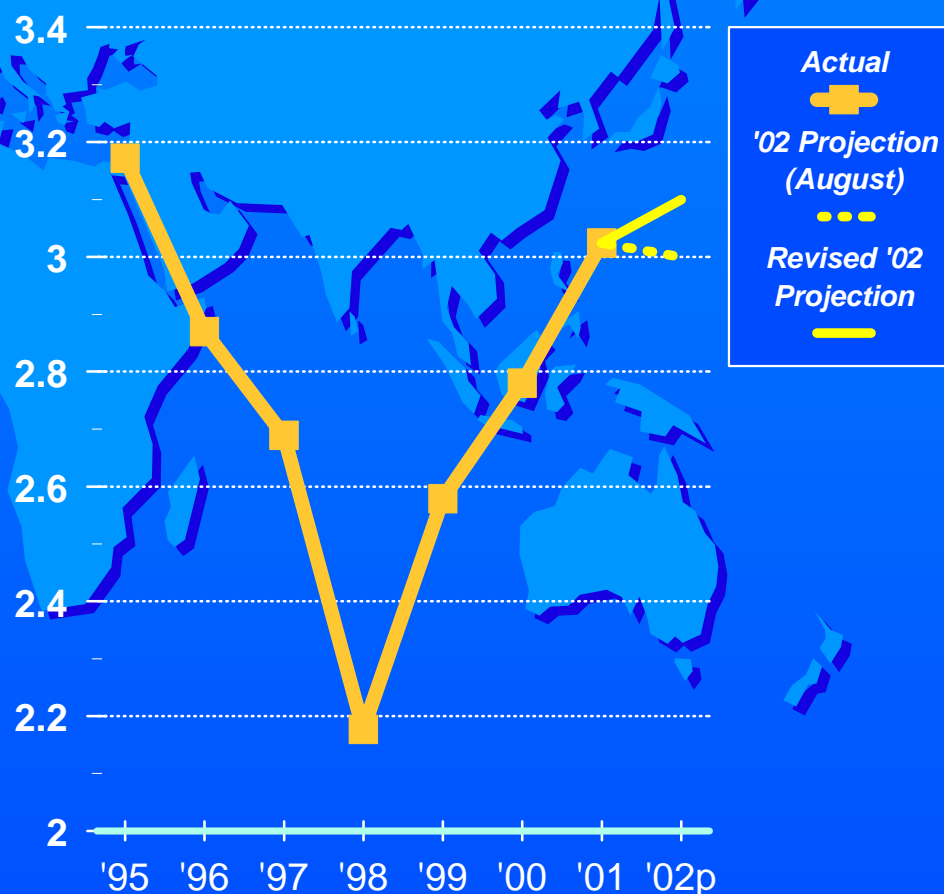
Key Downside Developments

- Strong competition from third country suppliers

Wild Card

- US harvest for salmon & other species

U.S. Fishery Product Exports (\$Bil)



Export Outlook for Solid Wood Products

Revised Forecast for 2002:  \$300 Million to \$5.5 Billion

Revised FY 2002 Projection

Key Upside Developments

- China's logging restrictions cause higher imports of logs and lumber
- Mexico's demand rises on strength of furniture & materials handling sectors

Key Downside Developments

- US exports to Japan expected lower due to softwood imports from EU & China
- Sharply slower sales during 4th quarter of 2001

Wild Cards

- Housing starts in Japan
- Resolution of US/Canada CVD/Anti-dumping case

U.S. Solid Wood Exports (\$Bil)

